

Middle Pecos Groundwater Conservation District
Minutes of December 20, 2011

On this the 20th day of December, 2011, a Public Hearing on Proposed Rules and a Regular Board Meeting was held by the Middle Pecos Groundwater Conservation District in the office located at 405 North Spring Drive, Fort Stockton, Texas, with the following members present, to-wit:

Glenn Honaker	President, Precinct 1
John Dorris	Vice President, Precinct 3
M. R. Gonzalez	Secretary/Treasurer, Precinct 2
Merrell Daggett	Precinct 2
Weldon Blackwelder	Precinct 3
Alvaro Mandujano, Jr.	Precinct 4
Ronald Cooper	Precinct 4
S. Evans Turpin	City of Iraan
Houston McKenzie	Pecos County at Large

Member Absent: Janet Groth and Vanessa Cardwell.

Quorum Present.

Others Present: Paul Weatherby/General Manager, Mike Gershon/MPGCD Legal Counsel, Melissa Mills, Bob Varmette, Jeff Williams, Harvey Gray, Gary Bryant, and Rocky Rives.

Public Hearing

- I Call to Order at 1:10 PM by Board President Glenn Honaker.
- II Receive public input on proposed amendments to the District's rules intended (1) to implement changes to statutory law enacted in 2011 by the 82nd Texas Legislature, which amendments include but are not limited to addressing procedure and considerations for rulemaking, management plan adoption and amendment, and permit hearings; groundwater ownership; establishing desired future conditions of the aquifers located in the District (DFCs); modeled available groundwater (MAG); permitting considerations implicated by DFCs and MAG; permitting exemptions; and well logs; and (2) to address requirements for filing and serving documents; transferring ownership of water rights and water wells; permit term and conditions; permit application requirements; operation and permitting of well systems; enforcement of rules violations; returned checks; codification of the District's enabling act; and nonsubstantive numbering, citing to legal authorities, and other structural and grammatical improvements.

Board President Glenn Honaker announced that the rule amendment notice was filed and posted on November 21, 2011 and that the rule amendments were available to the public.

Mr. Jeff Williams presented his comments during the public hearing. He stated he represented Fort Stockton Holdings and Williams Ranch and Farms. His comment referred to written comments prepared by Mr. Ed McCarthy, Jr., written December 19, 2011. Item number 10 in Mr. McCarthy refers to rule 10.7 and the alternative measuring methodologies that could be used as opposed to metering. Mr. Williams voiced his concern with the language being unclear and unspecific.

Mr. Williams also referred to item #13 in Mr. McCarthy, Jr's. Written comments that refers to rule 11.9.2. Mr. Williams voiced his concern that the proposed rule is too big of a change from the current rule. Currently the rule states

11.9.2 (f) A hydrogeological report shall be attached to applications meeting the following conditions:

- (1) Requests to operate a nonexempt well with an annual maximum permitted use of at least 1,000 acre feet; and
- (2) Requests to amend and increase by at least 250 acre feet the annual maximum permitted use of a Production Permit.

The proposed amendment to the rule is 10,000 acre feet instead of 1,000; and 2,500 acre feet instead of 250.

There were no additional comments during the public hearing

- III Adjourn John Dorris made a motion to adjourn, seconded by Evans Turpin. The motion carried, and the hearing adjourned at 1:18 PM.

Regular Board Meeting

- I Call to Order @ 1:19 PM by Board President Glenn Honaker.
- II Comments from **Public and Media (limit 5 minutes per person)** None.
- III Consider and/or act upon **minutes of November 15, 2011**
Evans Turpin made a motion to approve the November 15, 2011 minutes as presented. Seconded by Merrell Daggett. Motion carried.
- IV Consider and/or act upon **Accounts Payable and Treasurer's Report and Line Item Transfers for 11-30-2011**
Ronald Cooper made a motion to approve the accounts payable and treasurer's report for 11-30-2011. Seconded by John Dorris. Motion carried
- V Consider and/or act upon **Audit for Fiscal Year 10-01-2010 through 9-30-2011**
Rocky Rives with Smith and Rives, PC Certified Public Accountants presented the audit to the Board and answered all questions. The opinion rendered is the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate

remaining fund information of the MPGCD, as of September 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. There are no findings that require disclosure or corrective action in the audit report

M. R. Gonzalez made a motion to approve the Audit for Fiscal Year 10-01-2010 through 9-30-2011 as presented. Seconded by Merrell Daggett. Motion carried.

Agenda item #VII considered next

VII Consider and/or act upon **2012 Regular Board Meeting Dates and 2012 Holiday Schedule**

Merrell Daggett made a motion to approve the 2012 Regular Board Meeting Dates and 2012 Holiday Schedule. Seconded by Weldon Blackwelder. Motion carried.

Agenda item #VI considered next

VI Consider and/or act upon **Proposed Rule Amendments**

MPGCD Attorney Mike Gershon took the floor and reviewed the proposed rule amendments.

Mr. Gershon reported that written comments have been received from Edmond R. McCarthy, Jr., Attorney for Fort Stockton Holdings, L. P. The written comments were given to each Board member and Mr. Gershon reviewed each of the 16 comments with the Board of Directors.

The Board requested further amendments during the review of the proposed rules. Mr. Gershon will incorporate the changes, and possible action on the proposed rules is scheduled for January 17, 2012.

No action taken.

Board recessed for a break at 4:03 PM. M. R. Gonzalez and Mike Gershon left the meeting. A quorum remained. President Honaker called the meeting back to order at 4:12 PM.

VIII Consider and/or act upon **Longevity Policy**

Based on anniversary date of Full Time Employment and Gross Annual Income, employees will receive an annual longevity pay each December as presented: 4 – 7 years 1%; 8 – 11 years 2%; 12 – 15 years 3%; 16 – 19 years 4%; 20 and beyond years 5%, with maximum of 5%.

Houston McKenzie made a motion to approve the longevity policy as presented commencing as of December 20, 2011. Motion seconded by Merrell Daggett.

Comments: We are not part of the county and do not need to copy what they do.
Second comment was to consider the longevity pay when evaluating raises.

Motion carried. Vote: 7 For, 1 Against, 3 Absent

IX Consider and/or act upon **Progress Reports: Well Registrations, Production Permits, Drilling Permits, Data Loggers, ongoing Water Quality Analysis, Monthly Drought Report/Palmer Drought Severity Index maps**

- Well Registrations: Continuing.
- Production Permits: There are several production permits that are in the process of submission.
- Drilling Permits: One drilling permit has been submitted for review.
- Data Loggers: Monthly readings are being taken.
- Water Quality Analysis: On going.
- USGS reports: a progress report for the USGS work on the Pecos county Groundwater Availability Study from August 2011 through December 19th.
- Palmer Drought map: Color printer not working, so there is no map for review this month.

X General Manager's report on incoming **Groundwater District-related Correspondence**

- The Panhandle GCD has a self contained water quality sample trailer for sell for \$7,000.00 and Mr. Weatherby is inquiring about the trailer.
- The U S Department of the Interior Fish and Wildlife Service will be proposing to list and designate critical habitat for five aquatic invertebrate species native to west Texas: Diamond Y Spring snail, Gonzales springsnail, Pecos amphipod (which are limited to spring outflows in the Diamond Y Spring area north of Fort Stockton in Pecos County), Phantom Cave snail, and Phantom springsnail (which are restricted to spring outflow areas with San Solomon Springs complex near Balmorhea in Reeves and Jeff Davis counties). Mr. Weatherby will respond that we have USGS monitors on the Diamond Y springs.
- Department of Labor, Wage and Hour Division is proposing rules and requested comment regarding child labor regulations, orders and statements of interpretation, child labor violations and civil money penalties. This is just informational.

XI Consider and/or act upon **Agenda for next meeting**

- Rule Amendments
- Drilling or Production Permit(s).

XII **Adjourn** Evans Turpin made a motion to adjourn, seconded by Weldon Blackwelder. The motion carried, and the meeting adjourned at 4:55 PM.

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M. R. Gonzalez, Secretary/Treasurer

Glenn Honaker, President

Date Approved _____